Information Statement

Dated January 8, 2003

Business Development Bank of Canada

BDC

FULPAY™ AGF FUNDS-LINKED NOTES
SERIES 1

AGF

What are you doing after work?

Due May 19, 2009

Price: $1,000.00 per Note

CIBC WORLD MARKETS

Underwritten by CIBC WORLD MARKETS INC.

Business Development Bank of Canada ("BDC") has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Notes (as defined below) are true and accurate in all material aspects and that there are no other material facts in relation to the Notes the omission of which would make any statement herein, whether of fact or opinion, misleading.

No person has been authorized to give any information or to make any representations other than those that may be contained in:

(a) this Information Statement;
(b) any amendments made from time to time to this Information Statement; or
(c) any supplementary terms and conditions provided in any Global Note or other definitive replacement note therefor,

in connection with the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Information Statement nor the issue of the Notes nor any sale thereof shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of BDC since the date hereof. This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Information Statement and the offering and sale of the Notes are restricted within Canada and to Canadian residents and may be subject to further restrictions within any relevant province or territory. BDC and the selling agents require persons into whose possession this Information Statement comes to inform themselves of and observe any and all such restrictions.

More particularly, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and the Notes may not be offered, sold or delivered within the United States or to United States persons (as such expressions are defined in the United States Internal Revenue Code and Regulations thereunder).

In this Information Statement, capitalized terms will have the meanings ascribed to them and references to "$" are to Canadian dollars.

No securities commission or similar authority has in any way passed upon the merits of the Notes and any representation to the contrary may be an offence.

None of AGF Funds Inc., Canadian Imperial Bank of Commerce or any of their respective affiliates makes any representation, condition or warranty, express or implied, to the Investors or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Notes to track the performance of units of the Funds or general stock market performance or any other economic factors.

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SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Information Statement. Capitalized terms that are used but not defined in this summary are defined elsewhere in the Information Statement.

A FULPAY AGF Funds-Linked Note, Series 1, (a "Note") is a variable interest note issued by Business Development Bank of Canada. The Note is the first issuance of a series of Fund Unit Linked Protected Participating Yield Notes or "FULPAY™" Notes linked to the performance of units of three mutual funds managed by AGF Funds Inc. ("AGF").

On the maturity of the Note, the investor will receive in Canadian dollars (i) the Principal Amount of the Note, plus (ii) an amount of interest, if any, linked to the performance of units of the AGF Canadian Stock Fund, the AGF Canadian Dividend Fund and the AGF Canadian Conservative Income Fund (each, a "Fund" and collectively the "Funds"). Generally stated, on the Issue Date, in respect of each Note issued, $1,000 will be notionally invested in a notional portfolio (the "Initial Fund Portfolio") as follows: $333.33 in units of the AGF Canadian Stock Fund, $333.33 in units of the AGF Canadian Dividend Fund, and $333.34 in units of the AGF Canadian Conservative Income Fund. If, on the third anniversary of the Issue Date, the Final Value of the Initial Fund Portfolio (being the dollar value, including the dollar value of any reinvested distributions, of the Initial Fund Portfolio as if an actual direct investment had been made in the units of the Funds in the Initial Fund Portfolio) exceeds $1,000, the excess (the "Interim Reinvestment Amount") will be notionally re-invested on the third anniversary of the Issue Date in a notional portfolio (the "Interim Fund Portfolio") as follows: one-third of the Interim Reinvestment Amount in units of each of the AGF Canadian Stock Fund, the AGF Canadian Dividend Fund, and the AGF Canadian Conservative Income Fund. The Interim Fund Portfolio will be notionally held for the remaining 3.25 years of the term of the Note. Interest paid per Note on maturity will be an amount equal to the Final Value of the Interim Fund Portfolio (being the dollar value, including the dollar value of any reinvested distributions, of the Interim Fund Portfolio as if an actual direct investment had been made in the units of the Funds in the Interim Fund Portfolio) at maturity. For greater certainty, if the Final Value of the Initial Fund Portfolio does not exceed $1,000 on the third anniversary of the Issue Date, no interest will be paid at maturity. The Notes mature on May 19, 2009.

All references in this Information Statement to units of a Fund are to the Mutual Fund Series of units of a Fund. The Mutual Fund Series of units of a Fund are the series of units of a Fund which are generally available to all investors under a simplified prospectus.

Issuer: The Notes will be issued by Business Development Bank of Canada ("BDC").

Principal Amount: The Notes will be sold in a denomination of $1,000.00 per Note (the "Principal Amount"), with a minimum subscription of five (5) Notes per holder (each an "Investor").

Issue Price:

Price to the Investor (1)	Selling Agent's Commission (2)	Proceeds to BDC (3)
$1,000.00 (Par) per Note	$32.50	$967.50

(1) The Issue Price has been determined by negotiation between BDC and CIBC World Markets Inc. (the "Selling Agent").
(2) BDC will also pay to the Selling Agent, for further payment to dealers of record of the Notes, a quarterly trailing commission for the first three years dependent upon the performance of units of the Funds. Trailing commissions paid to dealers do not factor into the formula for, or affect the potential amount of, Variable Interest payable to the Investors.
(3) Before deduction of expenses of issue which, together with the Selling Agent's commissions, including trailing commissions, will be paid by the issuer out of general funds.

Issue Date: The Notes will be issued on or about February 19, 2003 (the actual date of issuance being the "Issue Date").

Maturity Date/Term: The Notes will mature on May 19, 2009 (the "Maturity Date"), resulting in a term to maturity of approximately 6.25 years.

Amounts Payable At Maturity: The amount payable under a Note on the Maturity Date will be equal to the sum of (i) the Principal Amount, plus (ii) Variable Interest, if any (as described below).

Principal Amount Payment: An Investor will be paid on the Maturity Date the Principal Amount of $1,000.00 per Note. The Notes cannot be redeemed or retracted prior to the Maturity Date.

The Funds:	Variable Interest, if any, payable under the Notes is linked to the performance of units of the AGF Canadian Stock Fund, the AGF Canadian Dividend Fund and the AGF Canadian Conservative Income Fund (each, a "Fund" and collectively, the "Funds"). The Funds are more completely described below under "THE FUNDS". An Investor may obtain further information in respect of any of the Funds at www.agf.com and through his or her investment advisor. All references in this Information Statement to units of a Fund are to the Mutual Fund Series of units of a Fund. The Mutual Fund Series of units of a Fund are the series of units of a Fund which are generally available to all investors under a simplified prospectus.
Variable Interest Payment:	An Investor will be paid interest ("Variable Interest"), if any, in Canadian dollars on the Maturity Date (subject to the provisions outlined under "DESCRIPTION OF THE NOTES – *Special Circumstances"* set out below). An Investor cannot elect to receive Variable Interest prior to the Maturity Date. Variable Interest, if any, per Note payable on the Maturity Date will be a Canadian dollar amount equal to the Final Value of the Interim Fund Portfolio (being the dollar value, including the dollar value of any reinvested distributions, of the Interim Fund Portfolio as if an actual direct investment had been made in the units of the Funds in the Interim Fund Portfolio) at maturity. In order for any Variable Interest to be payable, the Final Value of the Initial Fund Portfolio must exceed $1,000. See "VARIABLE INTEREST CALCULATION" starting on page 4 below for a detailed explanation of how Variable Interest is determined and for example calculations and see "DESCRIPTION OF THE NOTES" starting on page 6 for further details. **Although Variable Interest is linked to the performance of units of the Funds, Variable Interest and the value of the Notes from time to time will not closely approximate returns on units of the Funds. Investors will not have any ownership interest in units of the Funds at any time.**
Special Circumstances:	If a Market Disruption Event occurs on a day as of which the NAV of a Fund is to be determined, determination of that NAV will be postponed to a later date. Payment of Variable Interest otherwise due may be postponed if settlement of redemption of units of a Fund is effectively suspended or postponed. The occurrence of an Extraordinary Event may accelerate the payment of Variable Interest, if any, and the manner in which it is calculated. However, the Principal Amount of each Note will not be repaid until the Maturity Date in any event. See "DESCRIPTION OF THE NOTES – *Special Circumstances"* starting on page 7.
Eligibility for Investment:	The Notes, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by BDC or a corporation with which BDC does not deal at arm's length within the meaning of the Income Tax Act (Canada)) and would not constitute foreign property within the meaning of that Act.
Secondary Market:	There is currently no market for the Notes, and there can be no assurance that such a market will develop. If such a market develops, there can be no assurance that it will be liquid. The Notes will not be listed on any stock exchange.
Book-Entry Registration:	The Notes will be evidenced by a single global certificate held by The Canadian Depository for Securities Limited or its successor ("CDS"), or its nominee on its behalf, as registered holder of the Notes. Registration of the interests in and transfers of the Notes will be made only through the book-entry system of CDS. Subject to certain limited exceptions, no Investor will be entitled to any certificate or other instrument from BDC or CDS evidencing the ownership of the Notes and no Investor will be shown on the records maintained by CDS except through an agent who is a participant of CDS.
Risk Factors:	A person should consider carefully certain risk factors set out on page 17 before reaching a decision to buy the Notes.

VARIABLE INTEREST CALCULATION

Each Note will bear interest (referred to as Variable Interest) in an amount in Canadian dollars, without any need for the Investor to elect or otherwise take any action. Variable Interest will be paid on the Maturity Date (subject to (i) postponement of the determination of the amount of Variable Interest due to a Market Disruption Event or (ii) the earlier occurrence of an Extraordinary Event, as described below).

Variable Interest, if any, per Note payable on the Maturity Date will be a Canadian dollar amount equal to the Final Value of the Interim Fund Portfolio (being the dollar value, including the dollar value of any reinvested distributions, of the Interim Fund Portfolio as if an actual direct investment had been made in the units of the Funds in the Interim Fund Portfolio) at maturity. All references in this Information Statement to units of a Fund are to the Mutual Fund Series of units of a Fund. The Mutual Fund Series of units of a Fund are the series of units of a Fund which are generally available to all investors under a simplified prospectus.

The amount of Variable Interest, if any, that may be payable on the Maturity Date is uncertain. There is a possibility that an Investor may not receive any Variable Interest. An Investor will definitely not receive any Variable Interest unless the Final Value of the Initial Fund Portfolio is greater than $1,000.

Associated Definitions

The associated definitions in respect of Variable Interest are set out alphabetically below:

"Business Day" means a day (other than a Saturday, a Sunday or a statutory holiday) on which (i) both commercial banks and AGF are open for business in Toronto, Ontario, and (ii) BDC is open for business in Montreal, Quebec.

"Final Valuation Date" means the third Business Day prior to the Maturity Date, subject to the provisions set out below under "DESCRIPTION OF THE NOTES – *Special Circumstances*".

"Final Value" means,

(i) in respect of the Initial Fund Portfolio, the dollar value, including the dollar value of reinvested distributions, of the Initial Fund Portfolio as if an actual direct investment had been made in the units of the Funds in the Initial Fund Portfolio on the Issue Date, calculated from and including the Issue Date to and including the Interim Valuation Date, determined on the basis of the NAV of each of the Funds on the Issue Date and the Interim Valuation Date; and

(ii) in respect of the Interim Fund Portfolio, the dollar value, including the dollar value of reinvested distributions, of the Interim Fund Portfolio as if an actual direct investment had been made in the units of the Funds in the Interim Fund Portfolio, calculated from and including the Interim Valuation Date to and including the Final Valuation Date, determined on the basis of the NAV of each of the Funds on the Interim Valuation Date and the Final Valuation Date,

in each case subject to the provisions set out below under "DESCRIPTION OF THE NOTES – *Special Circumstances*".

"Initial Fund Portfolio" means a notional portfolio created by notionally investing on the Issue Date, in respect of each Note issued, $1,000 in a notional portfolio as follows: $333.33 in units of the AGF Canadian Stock Fund, $333.33 in units of the AGF Canadian Dividend Fund, and $333.34 in units of the AGF Canadian Conservative Income Fund (with the number of units of each Fund in the Initial Fund Portfolio rounded to two decimal places).

"Interim Fund Portfolio" means a notional portfolio created by notionally investing on the Interim Valuation Date the Interim Reinvestment Amount, if positive, as follows: one-third in units of each of the AGF Canadian Stock Fund, the AGF Canadian Dividend Fund, and the AGF Canadian Conservative Income Fund (with the number of units of each Fund in the Interim Fund Portfolio rounded to two decimal places).

"Interim Reinvestment Amount" means an amount in Canadian dollars equal to the Final Value of the Initial Fund Portfolio minus $1,000.

"Interim Valuation Date" means February 17, 2006 (or if such date is not a Business Day, the immediately preceding Business Day), subject to the provisions set out below under "DESCRIPTION OF THE NOTES – *Special Circumstances*".

"NAV" means, in respect of a date, the net asset value per unit of a Fund as officially determined by AGF as of the close of business on such date, provided that, if such date is not a Business Day, such NAV will mean the net asset value per unit of the Fund as officially determined by AGF as of the immediately preceding Business Day.

"Valuation Date" means the Interim Valuation Date or the Final Valuation Date, as the case may be.

Examples

The examples set out below are included for illustration purposes only. The total returns of the Funds used to illustrate the calculation of Variable Interest are not estimates or forecasts of those values over the term of the Notes. All examples assume the Investor has purchased a single Note.

Example #1:	Assume that the Initial Fund Portfolio performs over the first three years to produce a positive total return (i.e. the Final Value of the Initial Fund Portfolio exceeds $1,000). The Interim Reinvestment Amount is notionally re-invested in the Interim Fund Portfolio. Assume that the Interim Fund Portfolio then performs positively.

Initial Fund Portfolio: In respect of each Note issued, $1,000 will be notionally invested in the Initial Fund Portfolio as follows: $333.33 in units of the AGF Canadian Stock Fund, $333.33 in units of the AGF Canadian Dividend Fund, and $333.34 in units of the AGF Canadian Conservative Income Fund.

	AGF Canadian Stock Fund		AGF Canadian Dividend Fund		AGF Canadian Conservative Income Fund	
	Total Return (%)	Dollar Value	Total Return (%)	Dollar Value	Total Return (%)	Dollar Value
Issue Date	---	$333.33	---	$333.33	---	$333.34
Interim Valuation Date	35.73%	$452.43	29.80%	$432.66	17.85%	$392.84
Final Value of Initial Fund Portfolio = $452.43 + $432.66 + $392.84 = $1277.93						
Interim Reinvestment Amount = Final Value of Initial Fund Portfolio – $1,000 = $1277.93 - $1,000 = $277.93						
Interim Fund Portfolio: The Interim Reinvestment Amount of $277.93 is notionally invested in the Interim Fund Portfolio as follows: one-third in units of each of the AGF Canadian Stock Fund, the AGF Canadian Dividend Fund, and the AGF Canadian Conservative Income Fund.						
Interim Valuation Date	---	$92.64	---	$92.64	---	$92.65
Final Valuation Date	31.25%	$121.59	28.71%	$119.24	15.23%	$106.76
Final Value of Interim Fund Portfolio = $121.59 + $119.24 + $106.76 = $347.59						

Therefore, for each Note, Variable Interest of $347.59, plus the original Principal Amount of $1,000.00, would be payable on the Maturity Date.

Example #2:	Assume that the Initial Fund Portfolio performs poorly over the first three years to produce a negative Interim Reinvestment Amount.

Initial Fund Portfolio: In respect of each Note issued, $1,000 will be notionally invested in the Initial Fund Portfolio as follows: $333.33 in units of the AGF Canadian Stock Fund, $333.33 in units of the AGF Canadian Dividend Fund, and $333.34 in units of the AGF Canadian Conservative Income Fund.

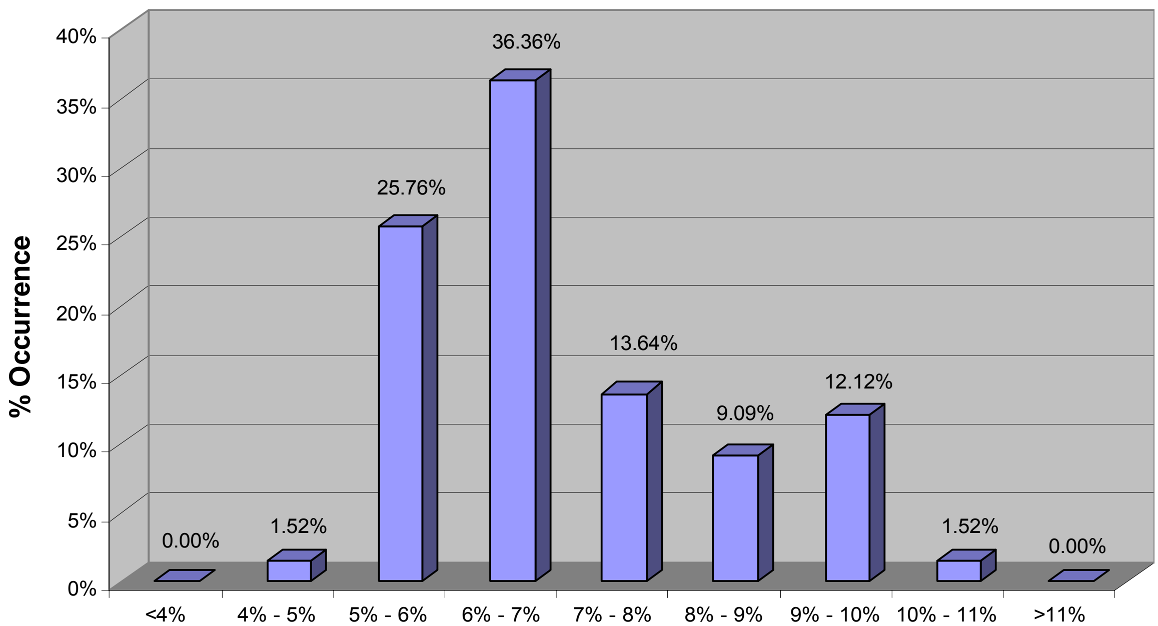
	AGF Canadian Stock Fund		AGF Canadian Dividend Fund		AGF Canadian Conservative Income Fund	
	Total Return (%)	Dollar Value	Total Return (%)	Dollar Value	Total Return (%)	Dollar Value
Issue Date	---	$333.33	---	$333.33	---	$333.34
Interim Valuation Date	-21.0%	$263.33	6.0%	$353.33	13.0%	$376.67
Final Value of Initial Fund Portfolio = $263.33 + $353.33 + $376.67 = $993.33						
Interim Reinvestment Amount = Final Value of Initial Fund Portfolio – $1,000 = $993.33 - $1,000 = - $6.67						

Because the Interim Reinvestment Amount is not positive, there will be no Interim Fund Portfolio and NO VARIABLE INTEREST WILL BE PAYABLE AT MATURITY, regardless of how well units of the Funds perform in the remaining 3.25 years prior to maturity of the Notes. Only the original Principal Amount of $1,000.00 will be payable on the Maturity Date.

Theoretical Note Performance Based on Historical Performance of Units of the Funds

The chart set out below shows the distribution of what the performance of the Notes (expressed as annually compounded percentage returns) would have been using the historical performance of units of the Funds for various 6.25-year periods maturing on sequential month-end dates over the period from and including July 31, 1997 to and including December 31, 2002. In each 6.25-year period, the annually compounded return was no less than 4.5%. In 23% of the 6.25-year periods the annually compounded return was 8% or better, and in 73% of the 6.25-year periods the annually compounded return was 6% or better. The average annually compounded return for all 6.25-year periods was 7.0%.

Annual Compounded Returns



Historical performance of the units of a Fund or the Notes will not necessarily predict future performance of units of the Fund or the Notes or how much Variable Interest may be payable on the Notes. See "THE FUNDS" below for additional information on each of the Funds and its historical performance.

DESCRIPTION OF THE NOTES

Issue

FULPAY AGF Funds-Linked Notes, Series 1, will be issued by BDC on the Issue Date. BDC reserves the right to issue the Notes in an aggregate number and in an aggregate Principal Amount as BDC may determine in its absolute discretion.

Principal Amount and Minimum Subscription

Each Note will be issued in a face amount of $1,000.00 (also referred to as the Principal Amount). The minimum subscription per Investor will be five Notes.

Maturity & Repayment of Principal Amount

Each Note matures on the Maturity Date, on which date the Investor will receive the Principal Amount (i.e., $1,000.00 per Note). However, if the Maturity Date as defined in this Information Statement does not occur on a Business Day, then the Maturity Date will be deemed to occur on the next following Business Day and no interest will be paid in respect of such postponement.

Variable Interest

Each Note will bear interest (referred to as Variable Interest), if any, in an amount in Canadian dollars, without any need for the Investor to elect or otherwise take any action.

Variable Interest payable at maturity will be determined by the Calculation Agent (as identified below) in accordance with the terms and related definitions specified under "VARIABLE INTEREST CALCULATION" starting on page 4 above.

The amount of Variable Interest, if any, will depend upon the performance of units of the Funds and, specifically, the performance of the Initial Fund Portfolio and, if the Interim Reinvestment Amount is positive, the performance of the Interim Fund Portfolio. It is possible that no Variable Interest will be payable.

Variable Interest, if any, will be paid on the Maturity Date (subject to the provisions outlined under "*Special Circumstances*" below), which is the third Business Day immediately following the Final Valuation Date. However, the timing and manner of determining Variable Interest may be affected by the occurrence of certain unusual events. See "*Special Circumstances*" starting on page 7 below. Generally stated, the payment date for Variable Interest, if any, will be the Maturity Date, provided that the scheduled Final Valuation Date is not postponed to a later date due to a Market Disruption Event or the determination of Variable Interest is not accelerated due to an Extraordinary Event as described under "*Special Circumstances*" below.

Secondary Trading of Notes

An Investor cannot elect to receive Variable Interest before the Maturity Date. However, if there is an available secondary market (and there can be no assurance that there will be such a market or that such market will be liquid), the Investor could sell a Note before the Maturity Date.

The trading price of a Note at any time will be dependent upon a number of factors, which may include: (i) how much the NAV of each of the notional Fund units in the Initial Fund Portfolio and, if the Interim Reinvestment Amount is positive, in the Interim Fund Portfolio, has risen or fallen since the Issue Date, and the aggregate performance of units of the Funds and, therefore, the aggregate performance of the Initial Fund Portfolio and, if the Interim Reinvestment Amount is positive, the aggregate performance of the Interim Fund Portfolio over the period concluded up to such time; (ii) the fact that if the Interim Reinvestment Amount is not positive, no Variable Interest will be payable regardless of the performance of units of the Funds over the last 3.25 years prior to the Maturity Date; (iii) the fact that the $1,000 Principal Amount of the Note is payable on the Maturity Date regardless of the performance of units of the Funds concluded up to such time or at any time thereafter; and (iv) a number of other interrelated factors, including, without limitation, volatility in the NAV of each of the Funds, prevailing interest rates, the realized distributions of each of the Funds, the time remaining to the Maturity Date, and the market demand for the Notes. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note. In particular, Investors should realize that the trading price, especially during the first few years of the term, (a) will have a low sensitivity to the rises and falls in the NAV of the notional Fund units in the Initial Fund Portfolio (i.e., the trading price of a Note will increase and decrease at a lesser rate compared to the respective percentage increases and decreases in the NAV of the notional Fund units in the Initial Fund Portfolio) and (b) may be substantially affected by changes in the level of interest rates independent of performance of units of the Funds.

An Investor should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Notes (assuming the availability of a secondary market) or hold the Notes until the Maturity Date. An Investor should also consult his or her tax advisor as to the tax consequences arising from a sale of a Note prior to the Maturity Date as compared to holding the note until the Maturity Date (see "CANADIAN FEDERAL INCOME TAX CONSIDERATIONS" below).

Special Circumstances

Calculation Agent in respect of Special Circumstances

If the Calculation Agent determines that any circumstance described below under *"Postponement of Valuation Date Due to Market Disruption Event"* or *"Extraordinary Event May Trigger Early Variable Interest"* has occurred, the Calculation Agent will give notice to the Investors of such determination (together with brief reasons therefor). The Calculation Agent will act as an independent expert in respect of such occurrence, and not as agent for BDC or the Investors, and its calculations and determinations shall, absent manifest error, be final and binding on BDC and the Investors. The calculations will be available to an Investor from the Calculation Agent. The Calculation Agent will not be responsible for its errors or omissions if made in good faith.

Postponement of Valuation Date Due to Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event (as defined below) has occurred and is continuing in respect of any date that but for that event would be a Valuation Date, then Variable Interest will be calculated (and the applicable NAV will be determined) on the basis that such Valuation Date will be postponed to the next Business Day on which there is no Market Disruption Event in effect.

However, there will be a limit for postponement of any Valuation Date. If on the third Business Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event on or after such third Business Day (and assuming BDC has not given notice to elect to accelerate the determination and payment of Variable Interest due to the occurrence of an Extraordinary Event on such third Business Day):

(i) such third Business Day shall be the Valuation Date, and

(ii) where on that third Business Day a Market Disruption Event has occurred and is continuing, then the net asset value per unit of a Fund for such Valuation Date used for determining the relevant NAV in the calculation of Variable Interest will be a value (the "Expert Estimated NAV") estimated by the Calculation Agent as at such Valuation Date taking into account all relevant market circumstances.

"Market Disruption Event" means, in respect of any Business Day, any *bona fide* event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of BDC or any person that does not deal at arm's length with BDC which has or will have an adverse effect on the ability of an investor in the normal course to buy or redeem units of any of the Funds on such Business Day, or to obtain the NAV for units of any of the Funds as of the previous Business Day. For the avoidance of doubt, a Market Disruption Event in respect of any Business Day includes the suspension or limitation of sale or redemption of units of any of the Funds on such Business Day for any reason.

Extraordinary Event May Trigger Early Variable Interest

If the Calculation Agent determines that any of the following has occurred (an "Extraordinary Event"):

(i) a Market Disruption Event has occurred and is continuing, and that any such Market Disruption Event has continued for at least three consecutive Business Days, or

(ii) AGF ceases to be the manager of any of the Funds, or any of the Funds announces that it will be discontinued or otherwise wound-up or that it will be merged, consolidated or combined with any other fund; or

(iii) where a dealer or other entity is hedging BDC's exposure in respect of Variable Interest, an event occurs after the Issue Date that adversely and materially affects the ability or cost of the dealer or other entity to provide such hedge (which event may include, but is not limited to, a fundamental change in a Fund's investment objectives or investment strategies or AGF's failure to fulfil any of its material obligations under any agreement relating to the Notes with such dealer or other entity providing such hedge),

then BDC may, at its option upon notice to the Investors to be given effective on a Business Day (the date of such notification being the "Extraordinary Event Notification Date"), accelerate the determination and payment of Variable Interest, if any, on all Notes (and thus discharge its obligations in respect of Variable Interest). Upon such election, Variable Interest, if any, per Note will be determined and calculated as of the Extraordinary Event Notification Date, subject to the following:

(i) The amount of Variable Interest per Note payable by BDC will not be calculated in accordance with the provisions set out in "VARIABLE INTEREST CALCULATION" above. Instead, the amount of Variable Interest, if any, per Note payable by BDC will be equal to an amount (the "Variable Interest Early Payment Amount") estimated by the Calculation Agent to be:

    (a) where the Extraordinary Event Notification Date occurs after the Interim Valuation Date, the value of the Interim Fund Portfolio, if any, as of the Extraordinary Event Notification Date determined as the Final Value of the Interim Fund Portfolio, except that for this purpose the Extraordinary Event Notification Date shall be deemed to be the Final Valuation Date;

    (b) where the Extraordinary Event Notification Date occurs on or prior to the Interim Valuation Date, an amount, if positive, equal to (i) the value of the Initial Fund Portfolio as of the Extraordinary Event Notification Date determined as the Final Value of the Initial Fund Portfolio, except that for this purpose the Extraordinary Event Notification Date shall be deemed to be the Interim Valuation Date, minus (ii) $1,000;

(ii) Payment of Variable Interest per Note will be made on the tenth Business Day after the Extraordinary Event Notification Date.

In these circumstances, payment of the Principal Amount per Note will not be accelerated and will remain due and payable on the Maturity Date. It should also be noted that the Variable Interest Early Payment Amount, if any, will reflect a return to Investors that may be less than the return on the Initial Fund Portfolio or the Interim Fund Portfolio, as the case may be, up to the occurrence of the Extraordinary Event.

If the Calculation Agent determines that an Extraordinary Event has occurred, then, in lieu of accelerating the determination and payment of Variable Interest, BDC may, with the consent of AGF and in consultation with the Calculation Agent, and upon notice to the Investors to be given effective on a Business Day (the date of such notification being the “Substitution Date”), replace notional units of one, but not more than one, of the Funds (the “Deleted Fund”) in the Initial Fund Portfolio or the Interim Fund Portfolio, as the case may be, with notional units of one, but not more than one, other mutual fund managed or sponsored by AGF (the “Replacement Fund”), provided that such replacement will, in the determination of BDC in consultation with the Calculation Agent, have the effect of eliminating the Extraordinary Event. The Calculation Agent will determine the number of notional units of the Replacement Fund to be included in the Initial Fund Portfolio or the Interim Fund Portfolio, as the case may be, by reinvesting the aggregate value of the notional units of the Deleted Fund in the Initial Fund Portfolio or the Interim Fund Portfolio, as the case may be (determined as the dollar value of the notional units of the Deleted Fund, including the dollar value of reinvested distributions, on the basis of the NAV of the Deleted Fund as at the Substitution Date), in notional units of the Replacement Fund on the basis of the NAV of the Replacement Fund as at the Substitution Date. The Calculation Agent will make such other adjustments, if any, to the formula for calculating Variable Interest as it reasonably determines appropriate to account for the substitution of notional units of the Replacement Fund for those of the Deleted Fund in the Initial Fund Portfolio, if applicable, and the Interim Fund Portfolio.

Suspension of Redemptions by a Fund May Postpone Variable Interest Determination and Payment

If on any Business Day from and including the date on which Variable Interest (or the Variable Interest Early Payment Amount) would otherwise be payable to and including the third Business Day prior to such date there exists a suspension or limitation of redemption of units of a Fund or of the settlement of such redemption, BDC may postpone such payment of Variable Interest and, if affected by such suspension or limitation, the determination of the Variable Interest (or the Variable Interest Early Payment Amount) payable, until such suspension or limitation is lifted. In the unlikely event that such postponement is extended for one year after the date that Variable Interest or the Variable Interest Early Payment Amount would otherwise have been payable, the Variable Interest (or the Variable Interest Early Payment Amount) shall be deemed to be nil.

Adjustment Event

If an Adjustment Event (as defined below) occurs, the Calculation Agent will, as soon as practicable thereafter, make adjustments, if any, to the formula for calculating Variable Interest, or the NAV of notional units of the Funds in the Initial Fund Portfolio or the Interim Fund Portfolio, if any, the number of notional units of the Funds in the Initial Fund Portfolio or the Interim Fund Portfolio, if any, or any other component or variable relevant to the determination of Variable Interest in such a way as the Calculation Agent reasonably determines appropriate to account for any diluting or concentrative effect of such Adjustment Event to preserve the intended economics to the Investors as of the Issue Date. Upon making any such adjustment, the Calculation Agent shall promptly give notice of such adjustment and brief details of the Adjustment Event to CDS and the Investors’ investment dealers who are participants in CDS (or directly to the Investors in the case where the Notes are directly registered in their name and issued in definitive form). Save as expressly provided below, the Calculation Agent shall make no adjustment in respect of any reinvested distributions on the notional Fund units in the Initial Fund Portfolio or the Interim Fund Portfolio.

“Adjustment Event” means, in respect of a unit of a Fund, the occurrence of any of the following events:

(a) a subdivision, consolidation or reclassification of such unit;

(b) a distribution or dividend to existing holders of the units of property other than units or cash;

(c) a call in respect of units that are not fully paid;

(d) a repurchase by the Fund of units whether out of profits or capital of the Fund and whether the consideration for such repurchase is cash, securities or otherwise, other than redemptions of units by the Fund in the normal course; or

(e) any other similar event that may have a diluting or concentrative effect on the theoretical value of the units other than cash or unit distributions.

Book-Entry System

All Notes will be represented in the form of a single fully-registered book-entry only global note (the “Global Note”) held by or on behalf of CDS as custodian of the Global Note (for its participants), and registered in the name of CDS or its nominee (the “Nominee”), initially CDS & Co. (All references to the Notes and a Note contained in this Information Statement will include the Global Note unless the context otherwise requires.)

The Notes will be able to be purchased, transferred and repurchased through a broker or dealer who can effect trades under the book-entry system established and maintained by CDS (a “CDS Participant” and the “Book-Entry System”, respectively). Subject to certain exceptions outlined below, certificates evidencing the Notes will not be available to Investors under any circumstances and registration of ownership of the Notes will be made only through the Book-Entry System. Upon purchase of any Notes, an Investor will receive only the customary confirmation sent to such Investor by the investment dealer from whom or through whom such Notes are purchased.

Definitive certificates in relation to the Notes will be issued to CDS Participants if (i) the Paying and Transfer Agent advises the Investors that CDS is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Notes and the Investors and BDC is unable to locate a qualified successor depositary system or (ii) the Paying and Transfer Agent, at its option, advises the Investors in writing that BDC elects to terminate the use of the Book-Entry System with respect to the Notes. In either event, the Global Note requires the Paying and Transfer Agent to notify all CDS Participants and Investors, through the Book-Entry System, of the availability of definitive certificates. Upon the surrender by CDS of the Global Note representing the Notes and instructions from CDS for registration, BDC will issue, or cause to be issued, definitive certificates to CDS Participants appearing on the records maintained by CDS at the time of or as soon as practicable prior to such delivery, which definitive certificates will thereafter evidence Notes previously evidenced by the Global Note.

The text of the definitive certificates evidencing Notes will contain such provisions as BDC may deem necessary or advisable. The Paying and Transfer Agent will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the Paying and Transfer Agent, or at such other offices notified by BDC to Investors.

No transfer of a definitive certificate evidencing a Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to BDC or its agent, and upon compliance with such reasonable conditions as may be required by BDC or its agent and with any requirement imposed by law, and entered on the register. No Global Note may be transferred except as a whole by CDS to a nominee of CDS or by a nominee of CDS to CDS or another nominee of CDS.

Payment

The amounts payable under the Global Note on any due date will be made available by BDC through CDS or its Nominee in accordance with arrangements between BDC and CDS. CDS or its Nominee (as the case may be) will, upon receipt of any such amount, immediately facilitate payment to the applicable CDS Participants, or credit to those CDS Participants' CDS accounts, in amounts proportionate to their respective beneficial interests as shown on the records of CDS or its Nominee. BDC expects that payments by CDS Participants to owners of beneficial interests in the Global Note held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name". These payments are the responsibility of such CDS Participants. The responsibility and liability of BDC in respect of Notes represented by the Global Note is limited to making payment of any amount due on the Global Note to CDS or its Nominee.

Neither BDC nor the Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of Notes represented by the Global Note or for maintaining, supervising or reviewing any records relating to such ownership.

Payments on a definitive Note, if issued, will be made by cheque mailed to the applicable Investor at the address of the Investor appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Investor at least five Business Days before the date of the payment and agreed to by BDC, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Note is conditional upon the Investor first delivering the Note to the Paying and Transfer Agent who reserves the right on behalf of BDC, in the case of payment of the Variable Interest prior to the Maturity Date, to mark on the Note that Variable Interest has been paid in full or in part (as the case may be), or, in the case of payment of Variable Interest and the Principal Amount under the Note in full at any time, to retain the Note and mark the Note as cancelled.

None of BDC, the Paying and Transfer Agent or CDS will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

Status

The Notes will constitute direct unconditional obligations of BDC under the terms of its medium term note program. The Notes will rank pari passu and will be payable rateably without any preference or priority.

Plan of Distribution

Each Note will be issued at 100% of the Principal Amount thereof (i.e., $1,000.00). The issue price was determined by negotiation between BDC and CIBC World Markets Inc. The Selling Agent will be paid an upfront commission of 3.25% of the Principal Amount, and quarterly thereafter will be paid a trailing commission, for further payment to dealers of record, as a percentage of the Principal Amount, which percentage will be dependent upon the performance of units of the Funds from the Issue Date to the Interim Valuation Date. Commissions, including trailing commissions, paid to the Selling Agent do not factor into the formula for, or affect the potential amount of, Variable Interest payable to the Investors.

Dealers may from time to time purchase and sell Notes in the secondary market but are not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. Such dealers may from time to time, vary the offering price and other selling terms for such sales in the secondary market.

BDC reserves the right to issue additional Notes of this series, and other debt securities which may have terms substantially similar to the terms of the Notes offered hereby, which may be offered by BDC concurrently with the offering of Notes. BDC further reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market, without notice to the Investors in general.

Dealings With AGF and the Funds

Each of the Calculation Agent, the Paying and Transfer Agent and BDC may from time to time, in the course of its normal business operations, hold interests linked to a Fund or hold securities of, extend credit to or enter into other business dealings with AGF and one or more of the companies whose securities are owned by a Fund. Each has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances and shall not take into account the effect, if any, of such actions on the NAV of a Fund or the amount of Variable Interest that may be payable on the Notes.

Notification

All general notices to Investors regarding the Notes will be valid and effective (i) if such notices are given (which notice may be given by wire or fax) to CDS and the relevant CDS Participants, or (ii) in the case where the Notes are directly registered in the Investors' names and issued in definitive form, if such notices are mailed or otherwise delivered to the registered addresses of the Investors; provided, however, that any required notice of an Extraordinary Event will also be published in the Toronto and national editions of a major daily English language Canadian newspaper with national circulation and in a daily French language newspaper of general circulation in Montreal.

All notices to BDC regarding the Notes will be valid and effective if such notices are mailed or otherwise delivered to Business Development Bank of Canada, 5 Place Ville Marie, Bureau 400, Montreal, Quebec H3B 5E7 – Attention: Vice-President and Treasurer.

Calculation Agent

"Calculation Agent" means the calculation agent for the Notes appointed by BDC from time to time. The Calculation Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 5th Floor, Toronto, Ontario, M5J 2S8 – Attention: Equity Structured Products.

Paying and Transfer Agent

"Paying and Transfer Agent" means the paying and transfer agent for the Notes appointed by BDC from time to time. The Paying and Transfer Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 4th Floor, Toronto, Ontario, Canada M5J 2S8 – Attention: Debt Management Service.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable to an Investor who purchases a Note at the time of its issuance and who, for the purposes of the Income Tax Act (Canada) (the "Act"), is a resident of Canada who deals at arm's length with BDC and holds a Note as capital property. This summary does not apply to an Investor that is a "financial institution" within the meaning of section 142.2 of the Act. This summary is based on the Act and the regulations made under the Act (the "Regulations") as in force on the date of this Information Statement, all specific proposals (the "Proposals") to amend the Act or Regulations publicly announced by the Minister of Finance prior to the date of this Information Statement and the current administrative policies and assessing practices of the Canada Customs and Revenue Agency ("CCRA") as made publicly available by it. Except for the Proposals, this summary does not take into account or anticipate any changes to the law or the CCRA's administrative policies or assessing practices whether by legislative, governmental or judicial action. Provincial, territorial and foreign income tax considerations are not addressed. This summary is not intended to constitute, nor should it be relied upon as, tax advice to any particular Investor. All Investors should consult their own tax advisors with respect to their tax positions. In particular, Investors should consult their tax advisors as to whether they will hold the Notes as capital property for purposes of the Act, and as to whether the Investor is eligible for and should file an election under subsection 39(4) of the Act to treat every "Canadian security" owned by the Investor, including the Notes, as capital property.

Variable Interest

In certain circumstances, provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Act). Based in part on an understanding of the CCRA's administrative practice, there should be no deemed accrual of interest on the Notes under these provisions.

In the event that an Investor holds a Note until the Maturity Date, the full amount of the Variable Interest, if any, generally would be included in the Investor's income in the Investor's taxation year that includes the Maturity Date. Where payment of the Variable Interest takes place prior to the Maturity Date as a result of an Extraordinary Event, the full amount of such payment would generally be included in the Investor's income in the Investor's taxation year in which the Variable Interest is received or receivable.

Disposition of Notes

On any disposition or deemed disposition of a Note by an Investor prior to the date on which the amount of Variable Interest becomes calculable, while the matter is not free from doubt, the Investor should realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Investor.

Eligibility for Investment by Registered Plans

The Notes, if issued on the date hereof, would be qualified investments under the Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by BDC or a corporation with which BDC does not deal at arm's length within the meaning of the Act), and the Notes would not constitute foreign property for the purposes of the Act.

THE FUNDS

All information in this Information Statement relating to the AGF Canadian Stock Fund, the AGF Canadian Dividend Fund and the AGF Canadian Conservative Income Fund is derived from publicly available sources and is presented in this Information Statement in summary form. As such, none of BDC, the Calculation Agent or any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation of the NAV of the Funds or the provision of any future information in respect of the Funds. The current simplified prospectus and certain other information in respect of the Funds may be obtained at www.agf.com. The following information is taken from that prospectus, as amended to the date of this Information Statement.

Who manages the Funds?

Each of the Funds is managed by AGF Funds Inc. ("AGF"). AGF is one of Canada's largest investment management companies with approximately $29 billion in total assets under management as of December 31, 2002.

What do the Funds invest in?

AGF Canadian Stock Fund

Investment Objectives

This Fund's objective is to provide long-term growth of capital by investing primarily in equity securities of Canadian issuers.

Investment Strategies

The Fund's portfolio manager follows a bottom-up investment style that favours growth companies that are trading at a reasonable price and that have the ability to generate above-average growth in earnings, sales and cash flow. When evaluating companies, it looks for five key characteristics:

- demonstrated growth in sales, earnings and cash flow
- products, services or technology that have clear competitive advantages
- shareholder-driven management with a clearly defined growth strategy
- the ability to finance future growth
- a share price that is fair relative to expected growth

The Fund may invest in foreign securities up to the foreign content limit under the Act.

The Fund may use options, forward contracts and other permitted derivatives as long as the use of these derivatives is consistent with the Fund's objectives and is permitted in law. It may use derivatives in the following ways:

- to hedge against declines in security prices, financial markets, exchange rates and interest rates
- to gain exposure to securities, financial markets and foreign currencies. This can be less expensive and more flexible than investing directly in the underlying assets.
- to profit from declines in financial markets

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may enter into repurchase agreements and may invest in securities of another mutual fund. It may also invest in cash or cash equivalents. The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's investment objectives and to enhance the Fund's return.

AGF Canadian Dividend Fund

Investment Objectives

This Fund's objective is to provide superior returns with reasonable risk through a combination of dividends and capital growth from Canadian companies and interest income.

Investment Strategies

The Fund's portfolio managers use a top-down growth and value investment style. They manage the Fund conservatively and aim for a portfolio yield that is higher than the S&P/TSX Composite Index. Portfolio construction begins with establishing the risk of investing in equities compared to cash. The portfolio managers then evaluate individual companies, scoring each company's income statement and balance sheet for profitability and financial strength. They invest in companies with above-average results, diversifying the portfolio among income, growth and cyclical stocks.

The Fund may invest in foreign securities up to the foreign content limit under the Act. A team of AGF portfolio managers manages the foreign content portion of the Fund by using a bottom-up investment style, focusing on companies that have superior potential returns.

The Fund may use options, forward contracts and other permitted derivatives as long as the use of these derivatives is consistent with the Fund's objectives and is permitted in law. It may use derivatives in the following ways:

- to hedge against declines in security prices, financial markets, exchange rates and interest rates
- to gain exposure to securities, financial markets and foreign currencies. This can be less expensive and more flexible than investing directly in the underlying assets.
- to profit from declines in financial markets

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may enter into repurchase agreements and may invest in securities of another mutual fund. It may also invest in cash or cash equivalents. The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's investment objectives and to enhance the Fund's return.

AGF Canadian Conservative Income Fund

Investment Objectives

This Fund's objective is to provide high monthly income with safety of capital. It invests primarily in high quality bonds of Canadian federal and provincial governments and Canadian chartered banks, securities backed by mortgages or other financial assets and dividend-paying shares of established Canadian companies.

Investment Strategies

The Fund's portfolio manager uses top-down fundamental analysis based on anticipating changes in interest rates. It analyzes economic indicators to forecast Canadian and global interest rates and to identify where on the yield curve the portfolio should be positioned.

The Fund aims to derive up to 25% of its income through dividends that are eligible for the Canadian dividend tax credit.

The Fund may invest in foreign fixed income securities up to the foreign content limit under the Act.

The Fund may use options, forward contracts and other permitted derivatives as long as the use of these derivatives is consistent with the Fund's objectives and is permitted in law. It may use derivatives in the following ways:

- to hedge against declines in security prices, financial markets, exchange rates and interest rates
- to gain exposure to securities, financial markets and foreign currencies. This can be less expensive and more flexible than investing directly in the underlying assets.
- to profit from declines in financial markets

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations.

The Fund may enter into repurchase agreements and may invest in securities of another mutual fund. It may also invest in cash or cash equivalents. The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or cash equivalents during periods of market downturn or for other reasons.

The Fund may enter into securities lending transactions after providing written notice to its security holders. Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's investment objectives and to enhance the Fund's return.

Changes to a Fund's Investment Objectives.

The investment objectives of a Fund cannot be changed without the approval of a majority of the holders of its units at a meeting called to consider the change. However, Investors in the Notes will not have any right to participate in such a meeting or otherwise have any rights in respect of the units of any Fund. A change in a Fund's investment objectives may constitute an Extraordinary Event as described on page 8 under "DESCRIPTION OF THE NOTES – *Special Circumstances – Extraordinary Event May Trigger Early Variable Interest".*

Top 10 holdings of each of the Funds

The following investments represent the top 10 holdings of the AGF Canadian Stock Fund as at December 31, 2002.

Investment	% of assets	Country	Category
1. Royal Bank of Canada	5.5%	Canada	Financial Services
2. Bank of Nova Scotia	3.0%	Canada	Financial Services
3. EnCana Corporation	2.8%	Canada	Oil & Gas
4. Petro-Canada	2.8%	Canada	Oil & Gas
5. Toronto-Dominion Bank	2.8%	Canada	Financial Services
6. Biovail Corporation	2.4%	Canada	Healthcare
7. Quebecor World Inc.	2.3%	Canada	Communications & Publications
8. Manulife Financial Corporation	2.2%	Canada	Financial Services
9. Talisman Energy Inc.	2.2%	Canada	Oil & Gas
10. Newmont Mining Corporation of Canada Ltd.	2.0%	Canada	Resource
Aggregate % of Top Ten Holdings = 28.0%			

The following investments represent the top 10 holdings of the AGF Canadian Dividend Fund as at December 31, 2002.

Investment	% of assets	Country	Category
1. Bank of Nova Scotia	7.3%	Canada	Financial Services
2. EnCana Corporation	6.3%	Canada	Oil & Gas
3. Canadian Imperial Bank of Commerce	6.2%	Canada	Financial Services
4. Alcan Inc.	6.0%	Canada	Metals & Minerals
5. Barrick Gold Corporation	5.9%	Canada	Gold & Precious Metals
6. Canadian National Railway Company	5.7%	Canada	Transportation & Environment
7. Magna International Inc. 'A'	5.6%	Canada	Industrial Products
8. Toronto-Dominion Bank	5.1%	Canada	Financial Services
9. BCE Inc.	4.9%	Canada	Utilities
10. Petro-Canada	4.4%	Canada	Oil & Gas
Aggregate % of Top Ten Holdings = 57.4%			

The following investments represent the top 10 holdings of the AGF Canadian Conservative Income Fund as at December 31, 2002.

Investment	% of assets	Country	Category
1. Government of Canada 6.50% June 1, 2004	7.6%	Canada	Government of Canada Bonds
2. Government of Canada 12.25% Sept. 1, 2005	7.1%	Canada	Government of Canada Bonds
3. Government of Canada 12.00% March 1, 2005	6.2%	Canada	Government of Canada Bonds
4. Government of Canada 4.25% Dec. 1, 2004	5.8%	Canada	Government of Canada Bonds
5. Government of Canada 10.00% June 1, 2008	5.3%	Canada	Government of Canada Bonds
6. Government of Canada 7.00% Dec. 1, 2006	4.6%	Canada	Government of Canada Bonds
7. Government of Canada 6.00% June 1, 2008	4.5%	Canada	Government of Canada Bonds
8. Government of Canada 9.00% Dec. 1, 2004	4.3%	Canada	Government of Canada Bonds
9. Government of Canada 8.75% Dec. 1, 2005	3.6%	Canada	Government of Canada Bonds
10. Government of Canada 13.75% March 1, 2007	2.9%	Canada	Government of Canada Bonds
Aggregate% of Top Ten Holdings = 51.9%			

INDEX OF DEFINED TERMS

RISK FACTORS TO CONSIDER

◊ ***Suitability of Note for Investment*** – A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of investment objectives and the information set out in this Information Statement. For instance, an investment in a Note is not suitable for a person looking for a guaranteed interest yield. BDC makes no recommendation as to the suitability of the Notes for investment.

◊ ***Interest May Not Be Payable*** – The amount of Variable Interest, if any, payable on the Notes is uncertain and is linked to the performance of units of the Funds. As such, the Notes will NOT directly track the performance of units of the Funds, and Investors will not have any ownership interest or related rights (including, without limitation, any voting rights) in units of the Funds. There is a possibility that no amount of Variable Interest will be payable, with the result that an Investor may only receive the Principal Amount of $1,000 per Note at maturity. **Unless the Interim Reinvestment Amount after the first three years is positive, the Investor will NOT benefit from any increase in the units of the Funds over the last 3.25 years of the term of the Notes and no Variable Interest will be payable.** See "VARIABLE INTEREST CALCULATION" above.

◊ ***Secondary Market*** – The Principal Amount and Variable Interest, if any, per Note are only payable at maturity (subject, in the case of Variable Interest, to the occurrence of an Extraordinary Event). The Investor cannot elect to receive Variable Interest prior to the Maturity Date. There is no assurance that a secondary market through which the Notes may be sold will develop or, if such market develops, whether such market will be liquid. Any secondary trading price will be dependent on many factors and their relationship. In particular, Investors should realize that the trading price, especially during the first few years of the term, (i) will have a low sensitivity to the rises and falls in the NAV of the Funds (i.e., the trading price of a Note will increase and decrease at a lesser rate compared to the respective percentage increases and decreases in the NAV of the Funds) and (ii) may be substantially affected by changes in the level of interest rates independent of performance of units of the Funds. The Notes will not be listed on any exchange. See "DESCRIPTION OF THE NOTES – *Secondary Trading of Note*" above.

◊ ***Market Disruption Event / Extraordinary Event*** – If a Market Disruption Event occurs on a day on which the NAV of a Fund is to be determined for calculating Variable Interest, the determination of that NAV will be postponed to a later date. Fluctuations in the NAV may occur in the interim. The occurrence of an Extraordinary Event may accelerate the payment of Variable Interest, if any, in which case the amount of Variable Interest will be determined in an alternate manner by the Calculation Agent. However, in no event will the Principal Amount of a Note be paid prior to the Maturity Date. See "DESCRIPTION OF THE NOTES – *Special Circumstances*" above.